



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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September 9, 2009

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe  
Auditor-Controller

A handwritten signature in blue ink that reads "Wendy L. Watanabe".

SUBJECT: **THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY  
ACT (HIPAA) AND THE HEALTH INFORMATION TECHNOLOGY FOR  
ECONOMIC AND CLINICAL HEALTH ACT (HITECH ACT)**

This is to advise your Board about a recently-passed federal privacy law that impacts the County's Health Insurance Portability and Accountability Act (HIPAA) program. On August 19, 2009, the U.S. Department of Health and Human Services (DHHS) issued the highly anticipated interim regulations (Regulations), pursuant to the Health Information Technology for Economic and Clinical Health Act (HITECH Act), which is part of the American Recovery and Reinvestment Act. DHHS will not enforce the Regulations for 180 days to give covered entities an opportunity to come into compliance. However, compliance with certain requirements must be in place by the effective date of September 23, 2009.

There are two significant provisions in the HITECH Act that impact HIPAA. First, it extends the reach of HIPAA to covered entities' Business Associates (vendors and contractors). Second, it imposes a nationwide breach notification law for entities that retain electronic protected health information, which policies and procedures must be in effect by September 23, 2009.

As you know, the County's Chief HIPAA Privacy Office is located in this Department and is coordinating efforts with the HIPAA-covered departments, Chief Executive Office, Chief Information Office, and County Counsel to bring the County into compliance with

the HITECH Act. We will continue to report to your Board on our developments with this regulation as it impacts the County's HIPAA program.

Please call me if you have any questions, or your staff may contact me or Linda McBride, Chief HIPAA Privacy Officer, at (213) 974-2166.

WLW:JN:LTM

c: William T Fujioka, Chief Executive Officer  
Sheila Shima, Deputy Chief Executive Officer, Chief Executive Office  
Jonathan E. Fielding, M.D., Director, Department of Public Health  
John F. Schunhoff, Ph.D., Interim Director, Department of Health Services  
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